

Financial Condition of Service Members and Military Spouses

Results from 2013-2014 Status of Forces Surveys & 2014-2015 Surveys of Military Spouses

Kimberly Williams & Malikah Dorvil
Defense Manpower Data Center (DMDC)
Defense Research, Surveys, and Statistics Center (RSSC)
Retention & Readiness (R&R)



September 2016



RSSC Mission and Surveys

- **Design, conduct, and analyze Joint-Service surveys for Office of the Under-Secretary of Defense (Personnel & Readiness)**
 - Provide Department of Defense with accurate assessments of attitudes/opinions of entire DoD community to:
 - Evaluate existing programs/policies
 - Establish baseline measures before implementing new programs/policies
 - Monitor progress of programs/policies and their effects on the Total Force
- **Standard RSSC surveys include Status of Forces Surveys (SOFS) and Spouse Surveys**
 - Annual SOFS to active duty (AD), Guard, and Reserve members; spouse surveys alternate each year for spouses of AD members and spouses of Guard and Reserve members
 - Content includes recurring items, rotating topics, and hot-button items with policy office input
 - Each survey includes item about financial condition
 - Each SOFS and Active Duty Spouse Survey (ADSS) includes an item about financial problems
 - Every other SOFS for active duty members includes more detailed financial health items



Data and Methodology

Survey	Field Period	Method	Sample Size	Weighted Response Rate
2013 & 2014 Status of Forces Survey of Active Duty Members (SOFS-A)	Oct–Dec 2013/ Sep–Nov 2014	Web	70,000/ 65,000	25%/ 21%
2014 Status of Forces Survey of Reserve Component Members (SOFS-R)	Oct 2014– Mar 2015	Web	88,000	20%
2015 Survey of Active Duty Spouses (ADSS)	Dec 2014– May 2015	Web & Paper	45,000	24%
2014 Survey of Reserve Component Spouses (RCSS)	Apr–Sep 2014	Web & Paper	45,000	21%

- **DMDC uses well-established, scientific procedures to randomly select a sample representing the military and spouse populations based on combinations of demographic characteristics**
 - Data are weighted using an industry standard process to produce survey estimates representative of their respective populations; results can be generalized to full military and spouse populations



Top-Line Findings

- **Higher percentages of active duty (AD) members (71% in 2014) and AD spouses (72% in 2015) reported “comfortable” financial condition compared to Reserve component (RC) members (57% in 2014) and RC spouses (61% in 2014)**
 - For AD members (2014) and AD spouses (2015), percentages reporting a “comfortable” financial condition significantly* higher than 1999-Feb 2012/2013 (AD member) and 2006-2012 (AD spouse)
- **Lower percentages of AD members (2014) and AD spouses (2015) (both 17%) reported experiencing specific financial problems compared to RC members (30% in 2014)**
 - Similarly, lower percentages of AD members (2014) and AD spouses (2015) reported experiencing specific financial problems than in 2004-2009/2012/2013 (AD member) and 2006-2012 (AD spouse)
- **86% of AD members (2013) and 83% of AD spouses (2015) indicated that they have a savings habit with almost 50% of both groups reporting they save regularly each month**
- **Higher percentages of AD members (2013) reported having specific financial goals vs. 2006-2012**
 - Most significant increase in goal of being free of credit card debt (+15 percentage points from 2012 to 2013)
- **52% of AD members (2013) indicated they contribute to Thrift Savings Plan (TSP)**
 - Percentage of AD members contributing to TSP increased 4-8 percentage points in 2013 vs. 2008-2010

Bottom Line: Financial condition generally improved for AD members and AD spouses and steady for RC members and RC spouses compared to previous results. Lower percentages of AD members and AD spouses experiencing financial problems than in previous decade.

* Only statistically significant findings are reported. Statistical tests are used to compare current estimates with other subgroups and previous results based on unrounded estimates.



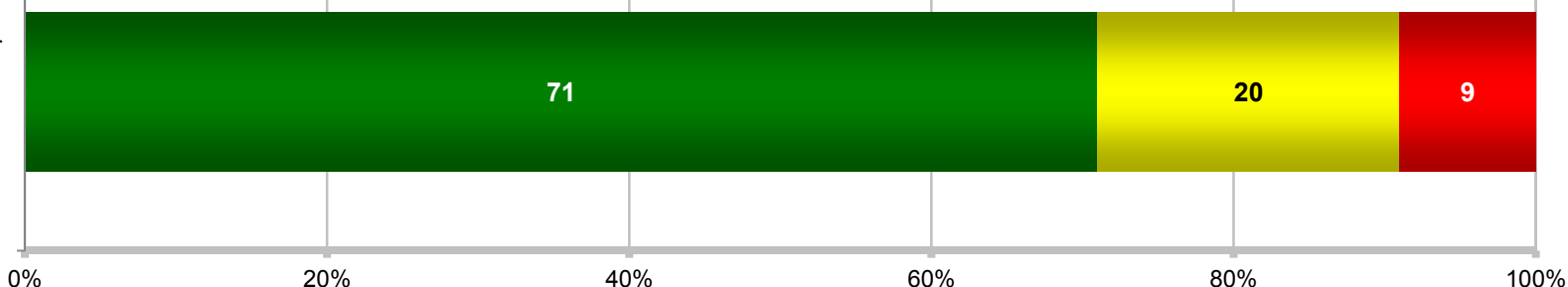
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Financial Condition

Percent of All Active Duty Members

Overall, "comfortable" financial condition in 2014:
significantly* higher than condition since 1999 except Jun 12

Which best describes your (and/or your spouse's) financial condition?



* Throughout briefing, only statistically significant findings are reported. Statistical tests are used to compare current estimates with previous results based on unrounded estimates.

■ Comfortable ■ Some difficulty ■ Not comfortable

Margins of error (MEs) ±1% to ±2%

	Most recent HIGHER than Most recent LOWER than	1999	Jul 02	Mar 03	Apr 04	Mar 05	Apr 06	Apr 07	Apr 08	Apr 09	Dec 09	Jun 10	Jan 11	Feb 12	Jun 12	2013	2014
* Total		52	52	62	57	66	63	67	61	67	65	63	68	63	69	67	71
● Army		48	52	59	55	63	60	63	57	64	61	58	63	60	65	64	69
▲ Navy		54	50	65	56	66	64	67	62	68	66	66	70	64	69	66	69
■ Marine Corps		50	45	57	52	60	57	63	59	64	60	59	65	59	68	64	68
◆ Air Force		55	58	66	63	73	67	73	67	74	74	73	74	72	76	74	77

MEs
±1% to ±5%

	Most recent HIGHER than Most recent LOWER than	1999	Jul 02	Mar 03	Apr 04	Mar 05	Apr 06	Apr 07	Apr 08	Apr 09	Dec 09	Jun 10	Jan 11	Feb 12	Jun 12	2013	2014
* Total		52	52	62	57	66	63	67	61	67	65	63	68	63	69	67	71
● E1-E4		44	39	51	46	56	53	58	54	58	56	55	59	57	62	59	65
▲ E5-E9		50	53	64	57	67	62	66	59	68	65	62	67	60	68	65	68
■ O1-O3		77	79	85	83	87	86	88	83	88	86	87	89	85	89	89	90
◆ O4-O6		83	87	91	86	91	89	89	83	89	89	87	89	87	90	88	90

MEs
±1% to ±3%

SOFS-A 2014 Q66

Among Services in 2014, highest percentages of Air Force members "comfortable" and Army members "not comfortable"



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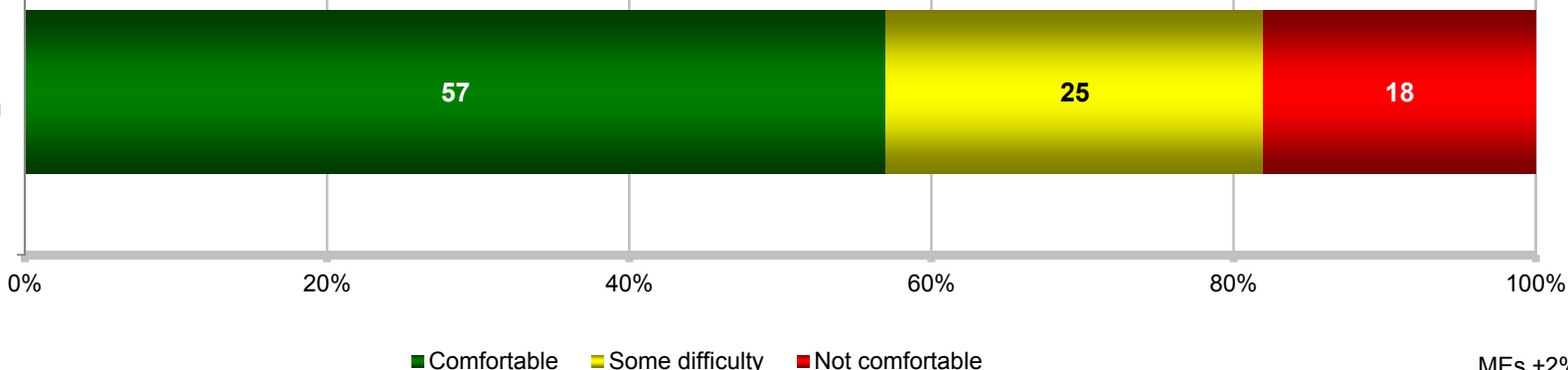
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Financial Condition

Percent of All Reserve Component Members

Overall, “comfortable” financial condition in 2014: significantly higher than 2011/2012; comparable comfort level vs. 2005-2009/2013

Which of the following best describes the financial condition of you (and your spouse)?



	Most recent HIGHER than Most recent LOWER than	Jun 05	Jun 07	Jun 09	Dec 09	Jan 11	Jun 12	2013	2014
* Total		57	55	56	54	53	54	55	57
● ARNG		53	49	52	51	47	48	50	51
● USAR		55	53	51	50	51	51	51	54
▲ USNR		64	64	62	60	62	60	64	62
■ USMCR		56	51	53	47	49	52	51	53
◆ ANG		65	67	68	66	66	67	65	70
◆ USAFR		67	67	68	67	65	67	64	71
	Most recent HIGHER than Most recent LOWER than	Jun 05	Jun 07	Jun 09	Dec 09	Jan 11	Jun 12	2013	2014
* Total		57	55	56	54	53	54	55	57
● E1-E4		44	39	43	39	37	40	43	45
▲ E5-E9		60	60	60	59	58	57	57	60
■ O1-O3		74	71	72	74	71	72	71	73
◆ O4-O6		85	84	83	83	83	84	82	85

MEs ±1% to ±5%

MEs ±1% to ±4%

Among Reserve components in 2014, highest percentages of USNR/ANG/USAFR members “comfortable” and ARNG/USAR members “not comfortable”

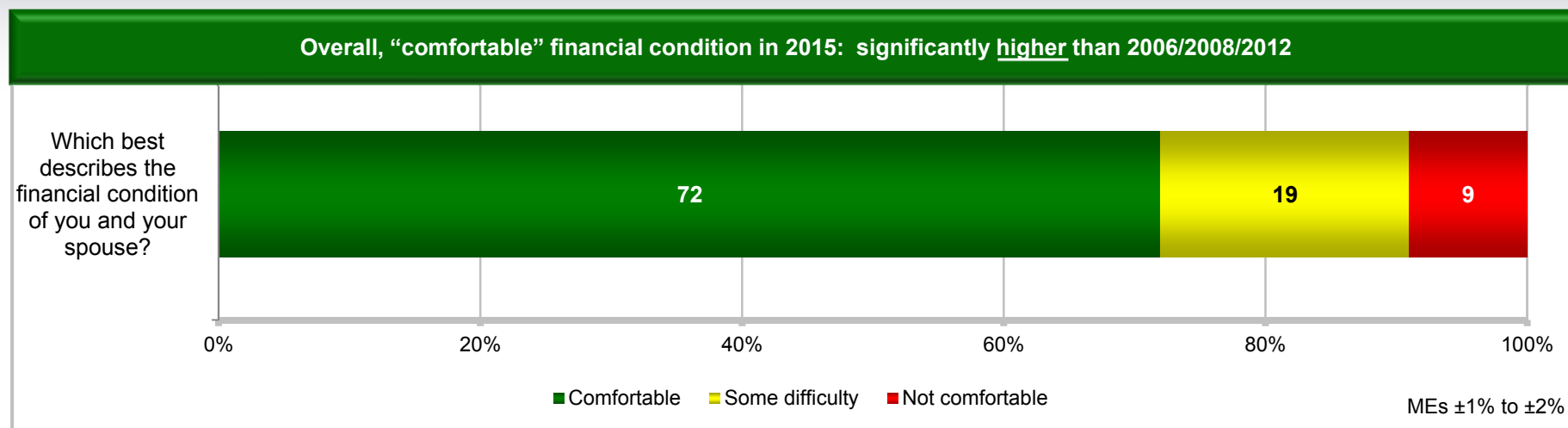
SOFS-R 2014 Q70



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Financial Condition Percent of All Active Duty Spouses



	Most recent HIGHER than Most recent LOWER than	2006	2008	2012	2015
* Total		63	62	64	72
● Army		62	58	60	69
▲ Navy		61	60	65	71
■ Marine Corps		57	59	61	69
◆ Air Force		66	70	73	78

MEs ±1%

	Most recent HIGHER than Most recent LOWER than	2006	2008	2012	2015
* Total		63	62	64	72
● E1-E4		45	45	48	59
▲ E5-E9		61	61	63	69
■ O1-O3		83	83	87	90
◆ O4-O6		89	89	92	92

MEs ±1%

ADSS 2015 Q122

Among active duty spouses in 2014, highest percentages of Air Force spouses “comfortable” and Army spouses “not comfortable”

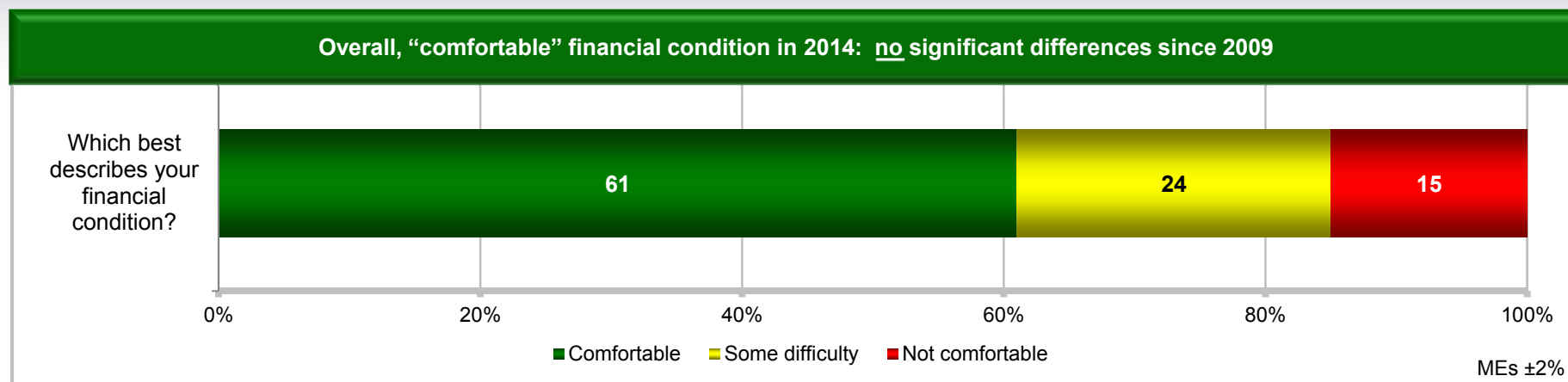


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Financial Condition

Percent of All Reserve Component Spouses



	Most recent HIGHER than Most recent LOWER than	2009	2012	2014
* Total		60	58	61
● ARNG		56	54	57
● USAR		58	55	58
▲ USNR		63	63	63
■ USMCR		58	57	56
◆ ANG		67	67	68
◆ USAFR		69	68	70

MEs ±1% to ±4%

	Most recent HIGHER than Most recent LOWER than	2009	2012	2014
* Total		60	58	61
● E1-E4		39	40	39
▲ E5-E9		60	58	60
■ O1-O3		76	73	76
◆ O4-O6		83	83	84

MEs ±1% to ±4%

Among Reserve component spouses in 2014, highest percentages of ANG/USAFR spouses "comfortable" and ARNG/USMCR spouses "not comfortable"

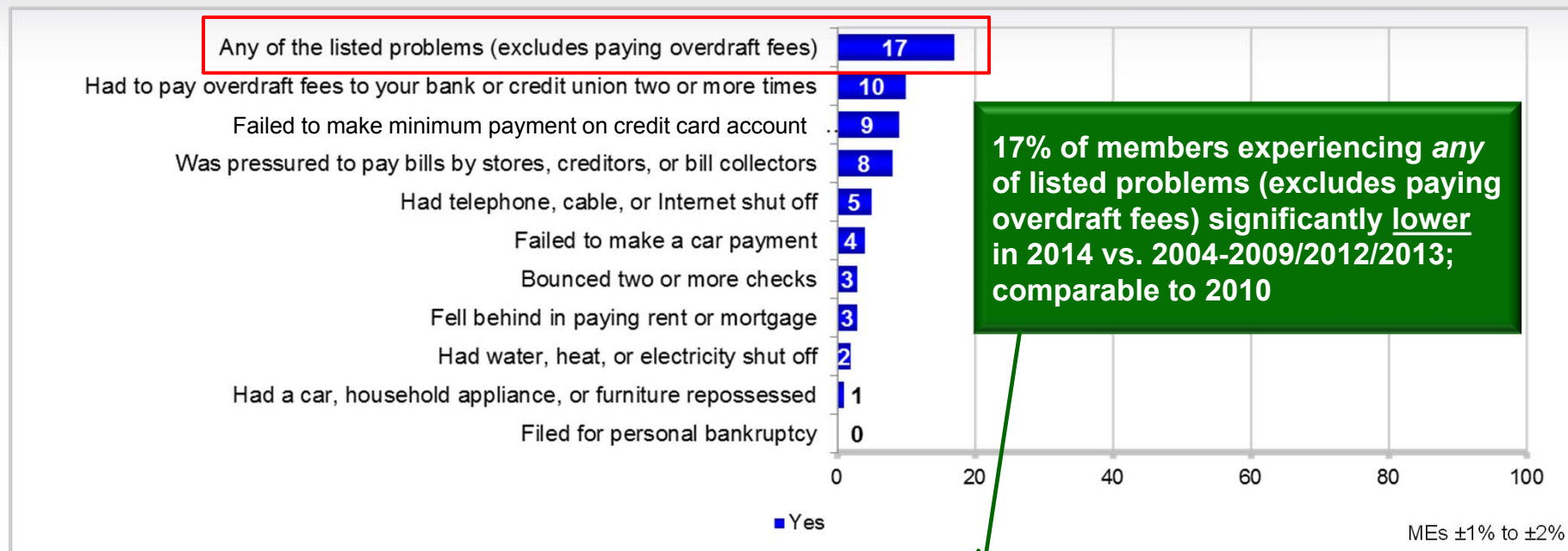
RCSS 2014 Q67

September 2016



Financial Problems in Past 12 Months

Percent of All Active Duty Members



	Apr 04	Mar 05	Apr 06	Apr 07	Apr 08	Apr 09	Jun 10	Feb 12	2013	2014
* Total	28	29	24	26	27	30	19	22	19	17
● Army	33	36	28	31	32	34	24	25	23	20
▲ Navy	29	29	21	27	26	29	18	21	20	18
■ Marine Corps	32	33	27	30	33	36	20	26	20	15
◆ Air Force	20	20	19	17	19	21	12	16	13	11

MEs ±1% to ±5%

	Apr 04	Mar 05	Apr 06	Apr 07	Apr 08	Apr 09	Jun 10	Feb 12	2013	2014
* Total	28	29	24	26	27	30	19	22	19	17
● E1-E4	40	40	33	35	37	40	26	28	24	20
▲ E5-E9	26	27	22	25	26	28	19	23	21	19
■ O1-O3	9	11	6	10	8	11	5	7	6	6
◆ O4-O6	4	7	5	6	6	7	4	5	6	5

MEs ±1% to ±3%

**Most significant improvements
(2014 vs. prior)**

Financial problems for...

- Marine Corps 11-21 percentage points
- Army 5-16 percentage points
- E1-E4 6-20 percentage points
- E5-E9 4-9 percentage points

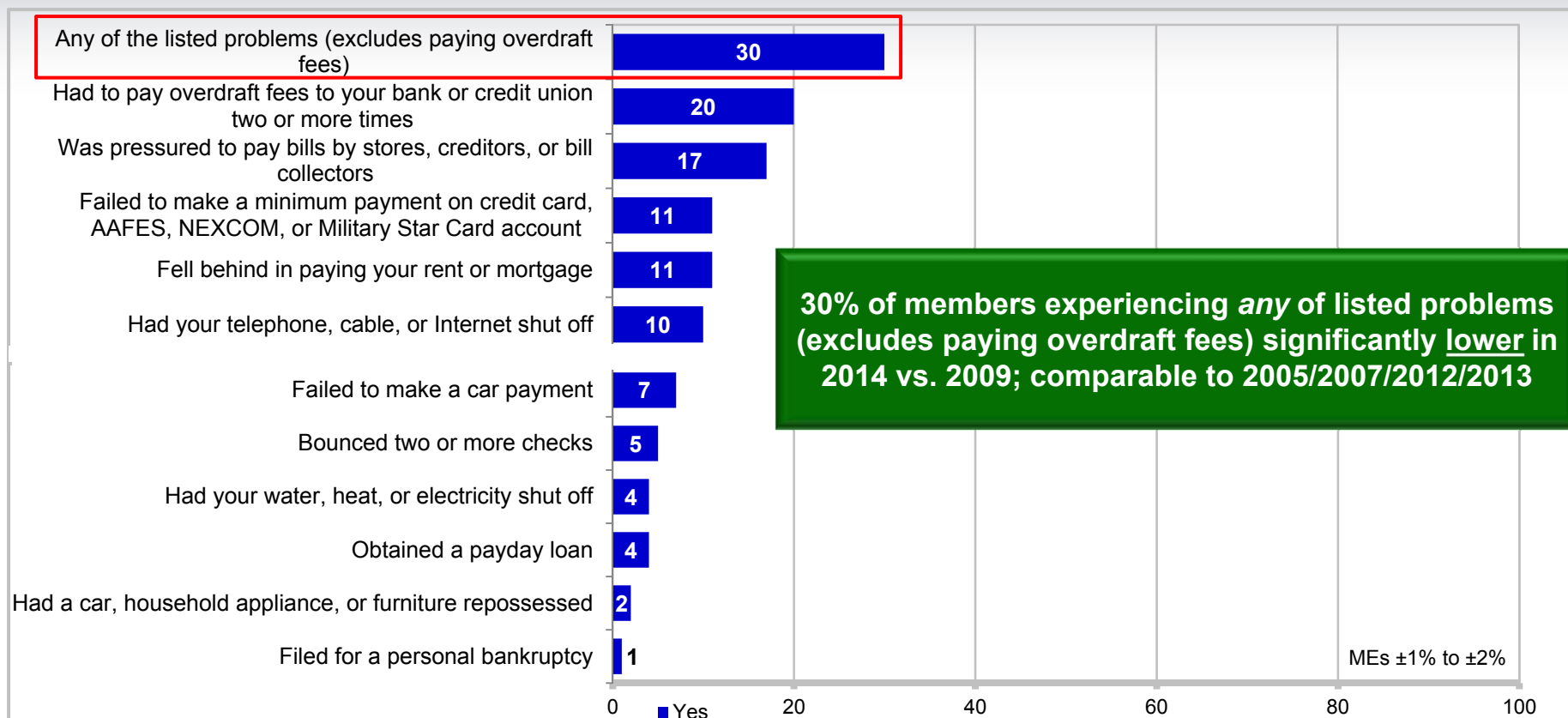


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Financial Problems in Past 12 Months

Percent of All Reserve Component Members



	Most recent HIGHER than Most recent LOWER than	Jun 05	Jun 07	Jun 09	Jun 12	2013	2014
* Total		31	33	34	31	31	30
● ARNG		36	38	38	37	34	35
● USAR		34	37	39	32	38	33
▲ USNR		26	24	26	26	24	25
■ USMCR		31	37	31	26	32	28
◆ ANG		22	19	22	19	18	19
◆ USAFR		20	22	21	20	21	17

MEs ±1%

	Most recent HIGHER than Most recent LOWER than	Jun 05	Jun 07	Jun 09	Jun 12	2013	2014
* Total		31	33	34	31	31	30
● E1-E4		42	44	43	40	38	37
▲ E5-E9		29	30	31	29	30	30
■ O1-O3		16	19	19	18	16	12
◆ O4-O6		9	11	12	10	11	9

MEs ±1%

SOFS-R 2014 Q71

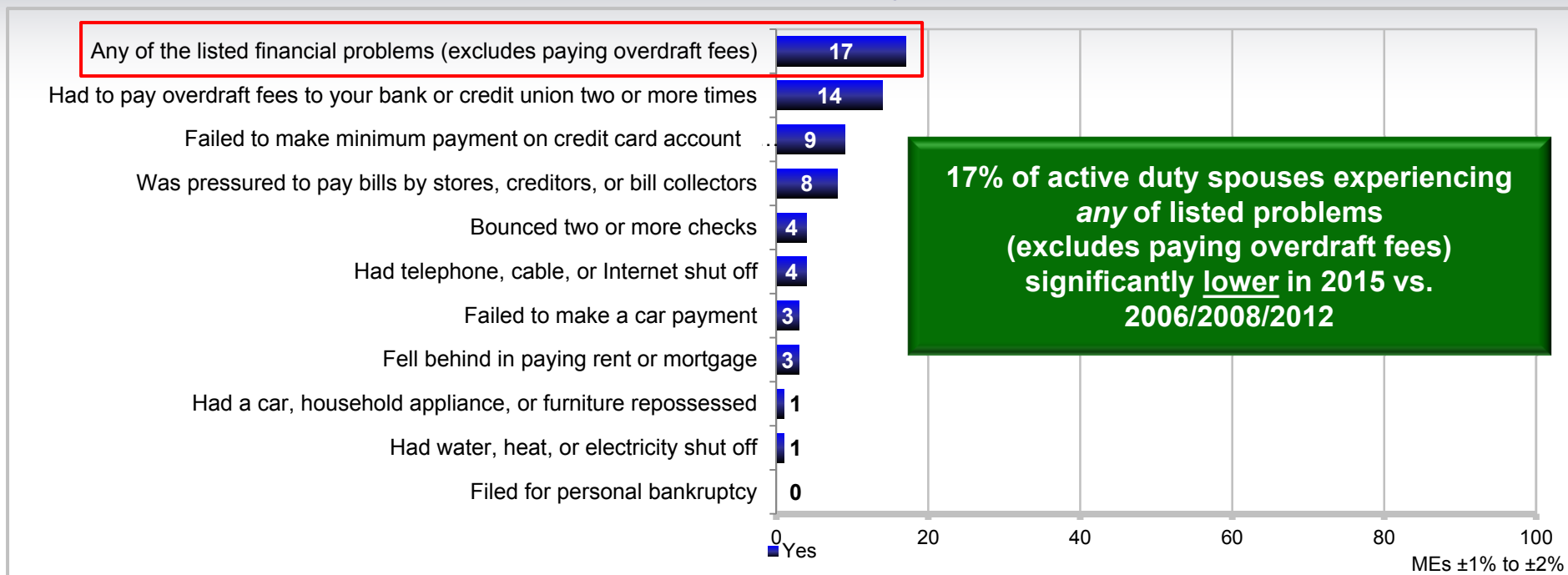


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Financial Problems in Past 12 Months

Percent of All Active Duty Spouses



	2006	2008	2012	2015
* Total	28	26	22	17
● Army	31	31	27	19
▲ Navy	29	26	20	19
■ Marine Corps	33	31	23	20
◆ Air Force	20	18	13	10

MEs ±1%

	2006	2008	2012	2015
* Total	28	26	22	17
● E1-E4	48	43	34	26
▲ E5-E9	27	25	21	18
■ O1-O3	9	11	6	5
◆ O4-O6	6	6	4	4

MEs ±1%

In 2015 among active duty spouses, highest percentages of Army enlisted, Navy enlisted, and Marine Corps enlisted members' spouses experienced any of the listed financial problems (excludes paying overdraft fees)

ADSS 2015 Q123

Most significant improvements (2015 vs. prior)

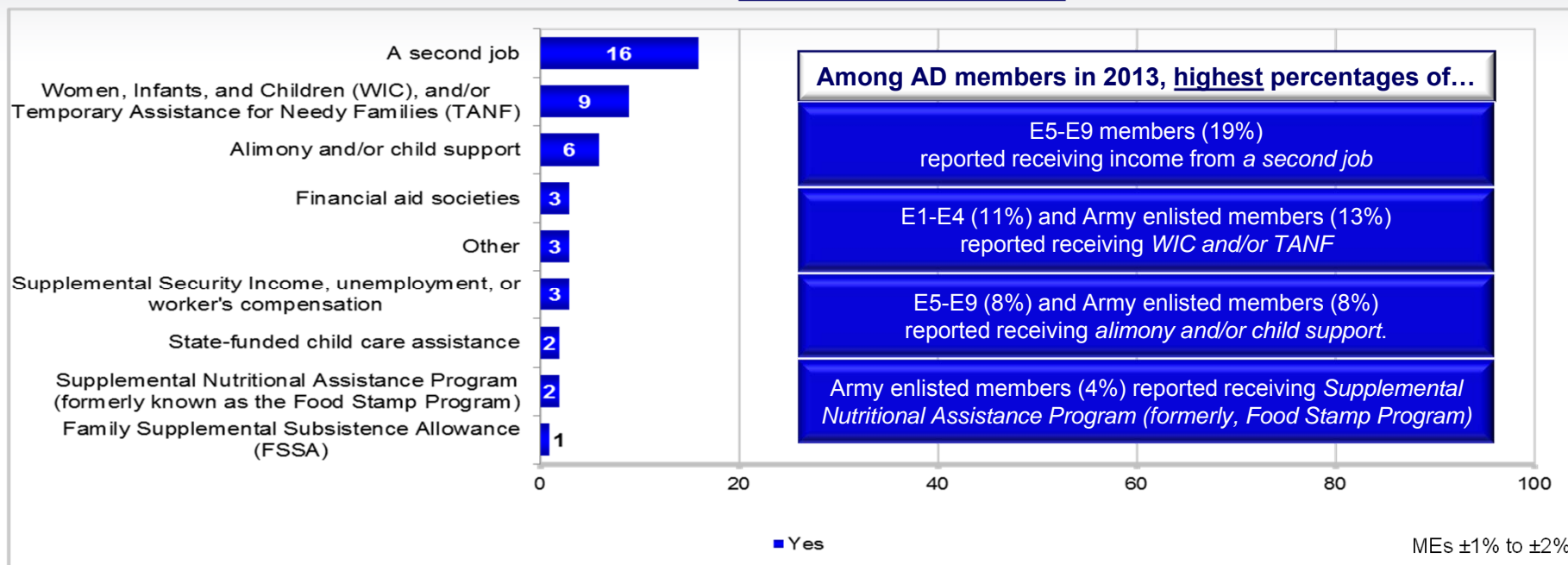
Financial problems for...

- Marine Corps 11-13 percentage points
- Army 8-12 percentage points
- E1-E4 8-22 percentage points
- E5-E9 3-9 percentage points



Sources of Income/Financial Support Received in Past 12 Months

Percent of All Active Duty Members



Note: "Other" responses include rental properties, VA benefits, family, bank loan, investment income, spouse retirement, student loan financial aid, third job, and social security.

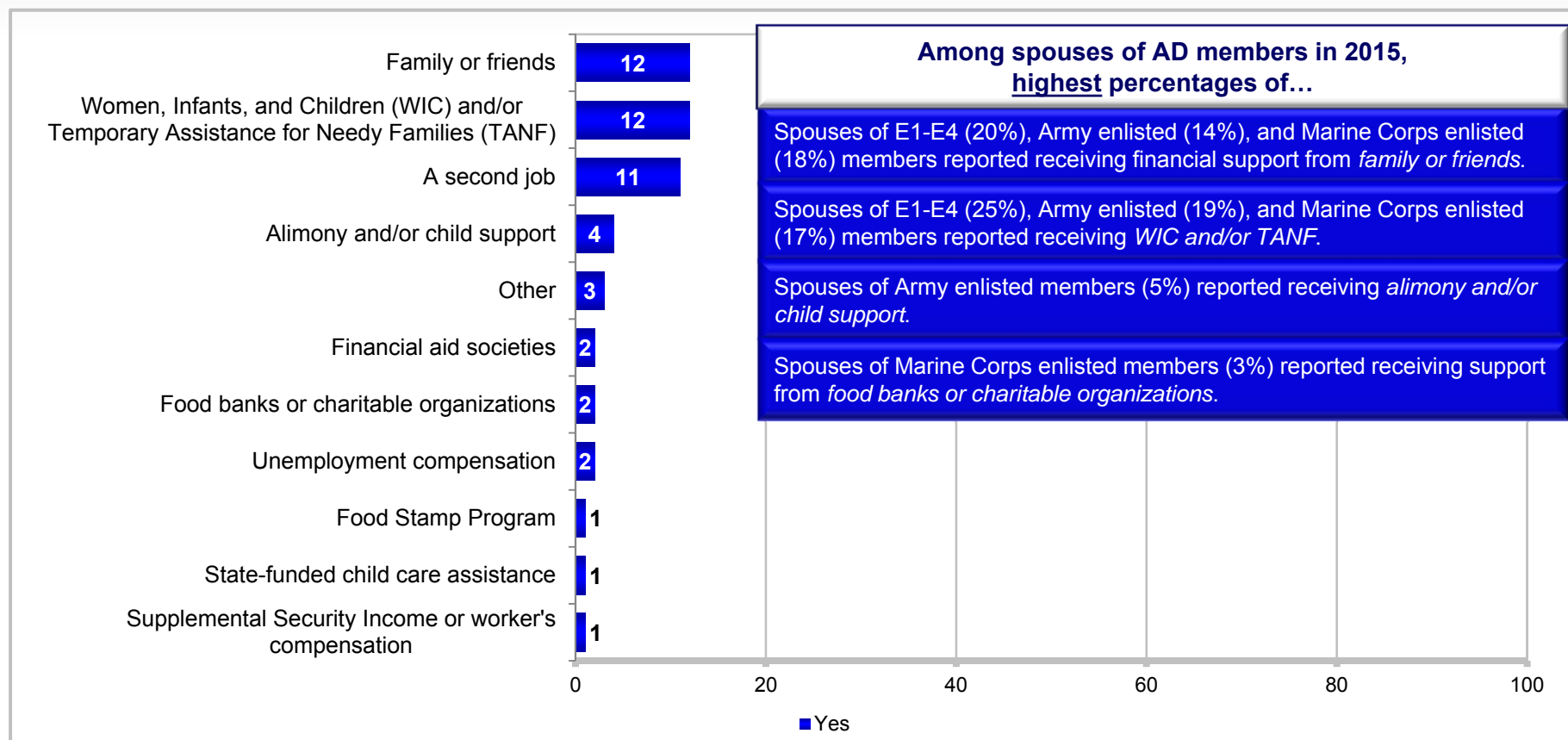
	Most recent HIGHER than	Apr 08	Jun 10	Feb 12	2013
	Most recent LOWER than				
■ A second job		16	14	13	16
● Women, Infants, and Children (WIC) and/or Temporary Assistance for Needy Families (TANF)		9	9	7	9
▲ Alimony and/or child support		6	6	5	6
* Financial aid societies		3	4	3	3
◆ Supplemental Security Income, unemployment, or worker's compensation		2	3	3	3
⊕ State-funded child care assistance		1	2	1	2
■ Supplemental Nutritional Assistance Program (formerly known as the Food Stamp Program)		1	2	1	2
● Family Supplemental Subsistence Allowance (FSSA)		1	2	1	2

No significant differences in sources of income/financial support in 2013 vs. 2008-2012 except *second job* (+3 percentage points in 2013 vs. 2012)



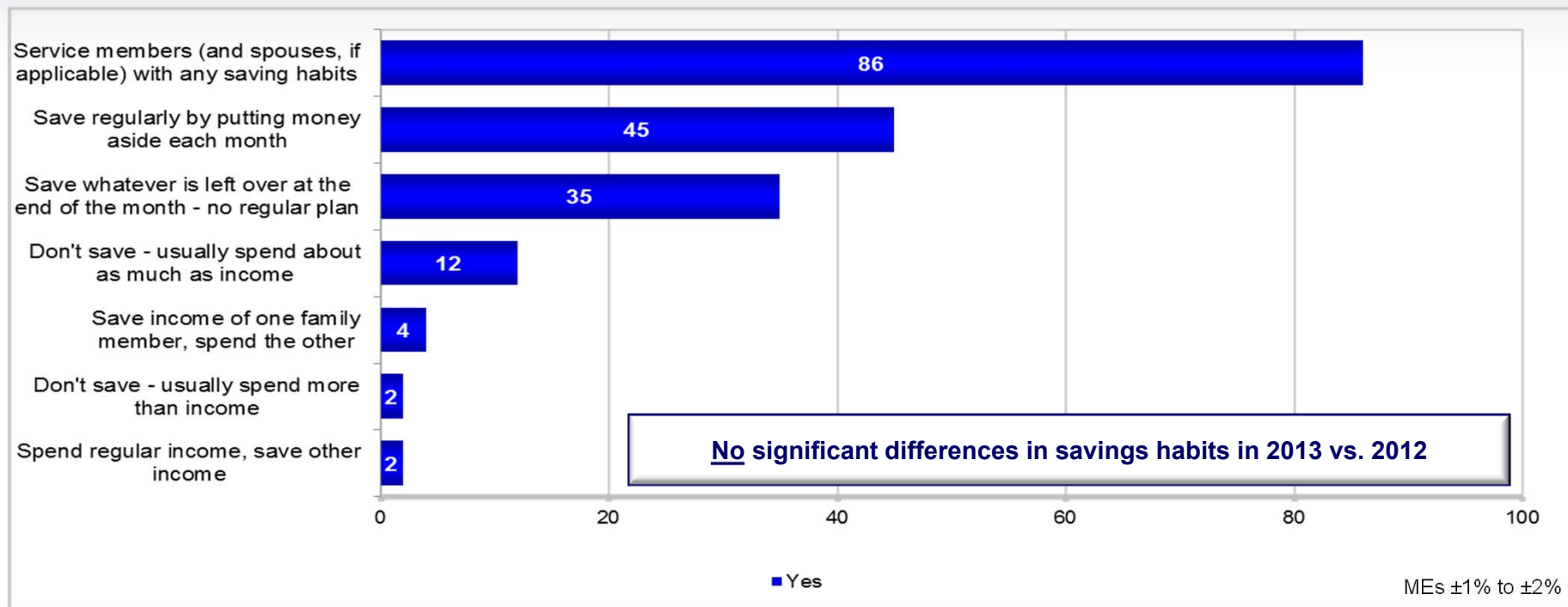
Sources of Income/Financial Support Received in Past 12 Months

Percent of All Active Duty Spouses





Saving Habits of Member (and Spouse, if Applicable) Percent of All Active Duty Members



	Most recent HIGHER than Most recent LOWER than	Feb 12	2013
Service members (and spouses, if applicable) with any saving habits		84	86
Save regularly by putting money aside each month		42	45
Save whatever is left over at the end of the month - no regular plan		38	35
Don't save - usually spend about as much as income		13	12
Save income of one family member, spend the other		3	4
Don't save - usually spend more than income		3	2
Spend regular income, save other income		2	2

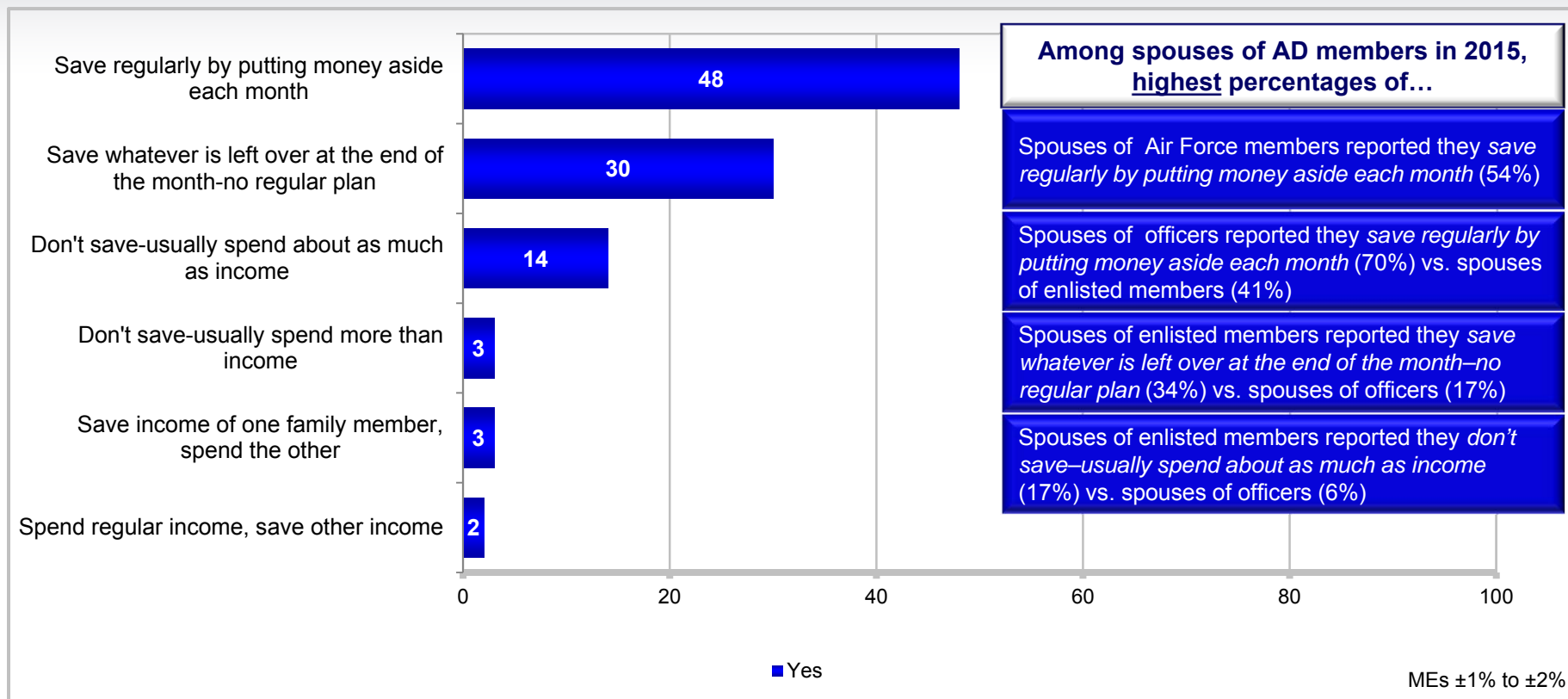
MEs ±1% to ±2%

- 94% of officers with any savings habits in 2013 vs. 84% of enlisted members
- Significantly higher percentage of Air Force members in 2013 reported having *any savings habits* (89%) and *saving regularly by putting money aside each month* (51%) in 2013 vs. other Services



Saving Habits of Spouse and Member

Percent of All Active Duty Spouses



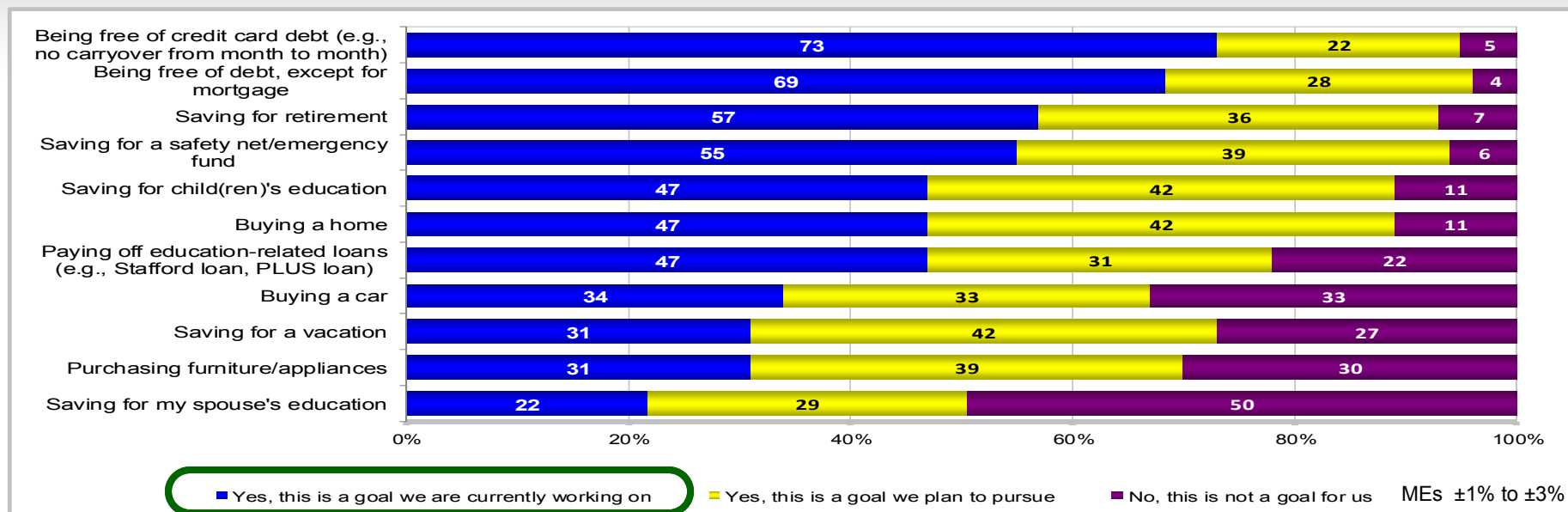
		Most recent HIGHER than Most recent LOWER than				2006	2008	2012	2015
✱	Save regularly by putting money aside each month					46	50	44	48
●	Save whatever is left over at the end of the month-no regular plan					28	27	31	30
▲	Don't save-usually spend about as much as income					17	14	17	14
✱	Don't save-usually spend more than income					5	5	3	3
◆	Save income of one family member, spend the other					3	3	3	3
+	Spend regular income, save other income					2	2	2	2

- 83% of AD spouses reported in 2015 having *any* savings habits
- Significantly higher percentage of AD spouses reported they *save regularly by putting money aside each month* (48%) in 2015 vs. 2012



Financial Goals

Percent of Applicable Active Duty Members



	Most recent HIGHER than Most recent LOWER than	Apr 06	Apr 08	Jun 10	Feb 12	2013
Being free of credit card debt (e.g., no carryover from month to month)		65	70	59	58	73
Being free of debt, except for mortgage		61	65	58	58	69
Saving for retirement		52	53	52	53	57
Saving for a safety net/emergency fund		47	46	50	51	55
Saving for child(ren)'s education		46	45	44	46	47
Paying off education-related loans (e.g., Stafford loan, PLUS loan)		46	43	38	37	47
Buying a home		47	41	41	42	47
Buying a car		27	29	26	23	34
Saving for a vacation		25	26	29	29	31
Purchasing furniture/appliances		26	26	24	21	31
Saving for my spouse's education		15	15	17	17	22

MEs ±2% to ±3%

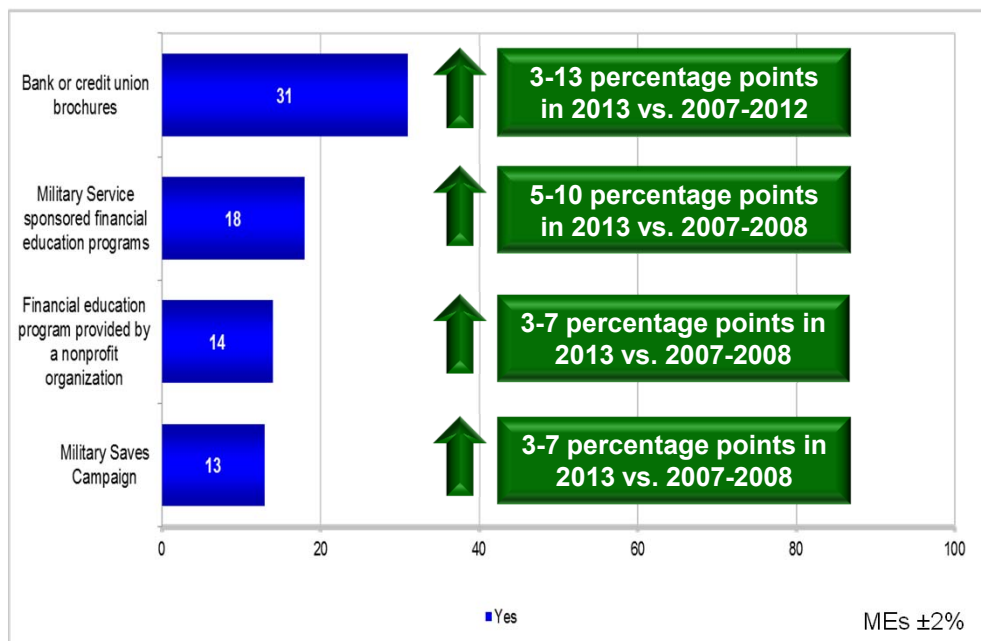
– Members indicating these are *current* financial goals significantly higher in 2013 than most previous surveys from 2006-2012 except *saving for child(ren)'s education* (no significant differences)

– Most significant difference in *being free of credit card debt* in 2013 vs. 2010/2012 (14-15 percentage points higher in 2013)



Sources of Messages About Reducing Debt and Increasing Savings

Percent of All Active Duty Members

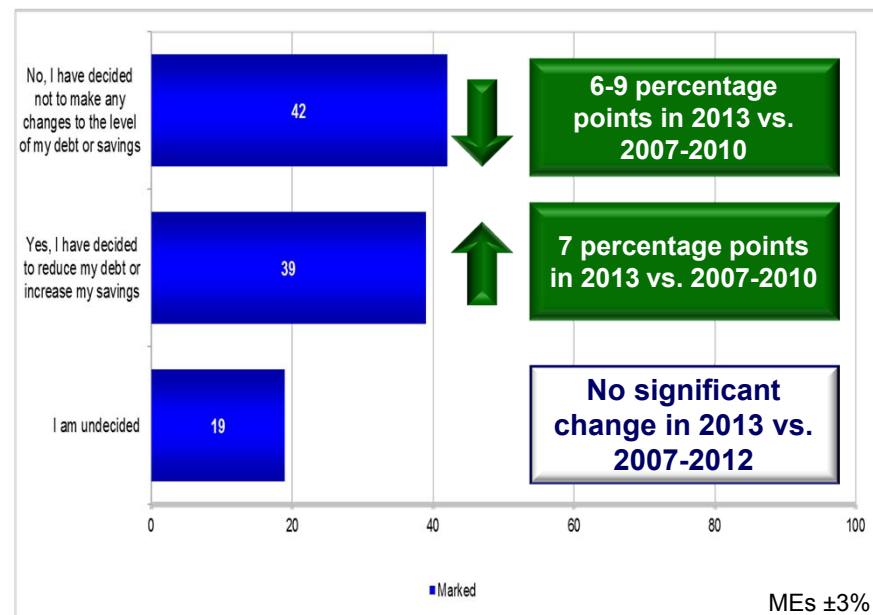


	Most recent HIGHER than Most recent LOWER than	Apr 07	Apr 08	Jun 10	Feb 12	2013
Bank or credit union brochures		18	28	26	27	31
Military Service sponsored financial education programs		8	13	15	16	18
Financial education program provided by a nonprofit organization		7	11	13	13	14
Military Saves Campaign		6	10	12	12	13

MEs ±1% to ±2%

Action Taken as a Result of Receiving Messages

Percent of AD Members Who Received Messages



	Most recent HIGHER than Most recent LOWER than	Apr 07	Apr 08	Jun 10	Feb 12	2013
■ No, I have decided not to make any changes to the level of my debt or savings		51	50	48	47	42
● Yes, I have decided to reduce my debt or increase my savings		32	32	32	37	39
▲ I am undecided		17	18	20	16	19

MEs ±2% to ±3%

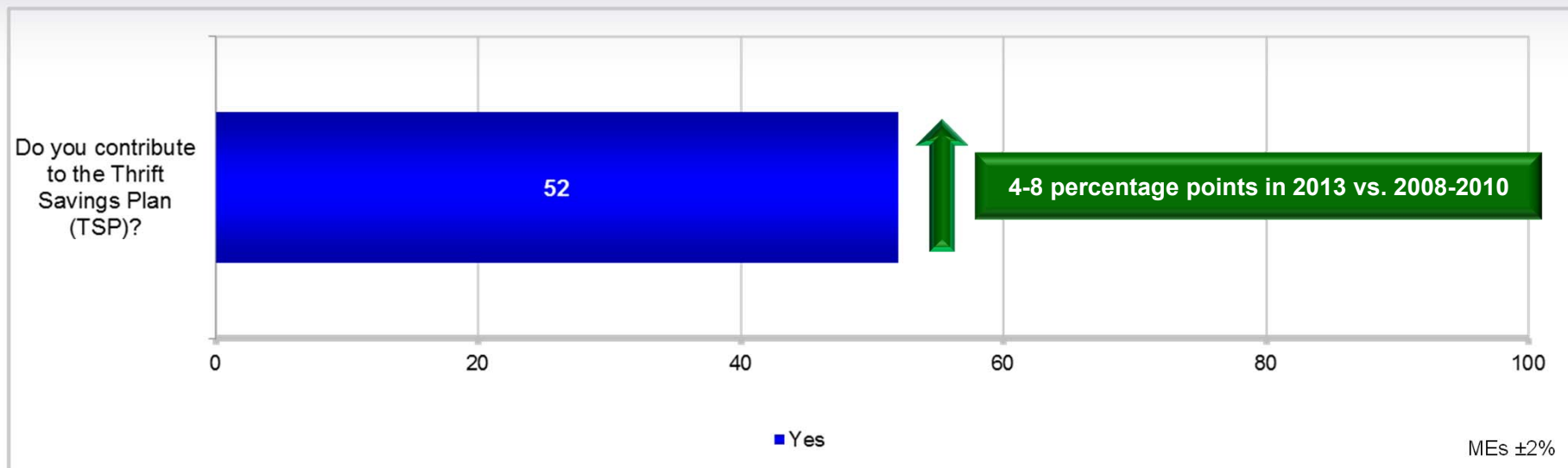
41% of enlisted members reported they have *decided to reduce their debt or increase their savings*, while 21% are *undecided*



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Contribute to Thrift Savings Plan (TSP) Percent of All Active Duty Members



	Most recent HIGHER than Most recent LOWER than	Apr 08	Dec 09	Jun 10	Feb 12	Jun 12	2013
* Total		44	46	48	51	51	52
● Army		34	39	39	45	44	46
▲ Navy		60	60	66	67	71	68
■ Marine Corps		47	44	45	47	47	46
◆ Air Force		41	45	45	49	46	50

MEs $\pm 2\%$ to $\pm 5\%$

	Most recent HIGHER than Most recent LOWER than	Apr 08	Dec 09	Jun 10	Feb 12	Jun 12	2013
* Total		44	46	48	51	51	52
● E1-E4		41	43	45	50	49	46
▲ E5-E9		43	46	47	50	52	54
■ O1-O3		48	44	49	52	48	51
◆ O4-O6		59	62	61	63	64	65

MEs $\pm 2\%$ to $\pm 4\%$

Army ↑ 7-12 percentage points in 2013 vs. 2008-2010

E5-E9 ↑ 7-11 percentage points in 2013 vs. 2008-2010



Summary of Results

- **Higher percentages of AD members (2014) / AD spouses (2015) with “comfortable” financial condition compared to RC members (2014) / RC spouses (2014) – significantly higher for AD members / AD spouses than in previous years**
- **Lower percentages of AD members (2014) / AD spouses (2015) reported experiencing specific financial problems compared to RC members (2014) – similar improvements in AD members / AD spouses experiencing financial problems over time**
- **86% of AD members (2013) and 83% of AD spouses (2015) indicated that they have a savings habit with almost 50% of both groups reporting they save regularly each month**
- **Higher percentages of AD members reported having specific financial goals in 2013 vs. 2006-2012 – increased interest by AD members in reducing personal debt**
- **52% of AD members (2013) indicated they contribute to Thrift Savings Plan (TSP) – increasing percentages of AD members reporting they are contributing to TSP compared to previous years**

Bottom Line: Financial condition generally improved for AD members and AD spouses and steady for RC members and RC spouses compared to previous results. Lower percentages of AD members and AD spouses experiencing financial problems than in previous decade.



Current Status of Forces and Spouse Surveys

- **2016 SOFS-R will close late Sep 2016**
- **100K Guard and Reserve members surveyed—ARNG, USAR, USNR, USMCR, ANG, USAFR + Coast Guard Reserve (USCGR)**
- **Sep 2016 SOFS-A opened 12 Sep; will close ~ mid Nov 2016**
- **95K AD members will be surveyed—Army, Navy, Marine Corps, Air Force + Coast Guard, Public Health Service (PHS), and National Oceanic and Atmospheric Administration (NOAA)**
- **These surveys include new section required by FY2016 NDAA to assess financial literacy and prepare Congressional reports**
 - **Financial well-being and education**
 - Financial health/condition
 - Financial knowledge
 - Financial activities, management, and resources
 - New blended retirement system
- **Next RCSS scheduled to field Fall 2016**
- **Next ADSS scheduled to field Early 2017**

Questions?

Contact information

Paul Rosenfeld: Division Director, DMDC-RSSC (R&R), paul.rosenfeld.civ@mail.mil

Carol Newell: Branch Chief, DMDC-RSSC (R&R), carol.e.newell2.civ@mail.mil

Kimberly Williams: Survey Analyst, DMDC-RSSC (R&R), kimberly.g.williams6.civ@mail.mil

Malikah Dorvil: Survey Analyst, DMDC-RSSC (R&R), malikah.j.dorvil.civ@mail.mil

Cathy Flynn: Senior Program Analyst, MC&FP, cathy.a.flynn.civ@mail.mil

DMDC Website (<http://www.dmdc.osd.mil/surveys>)

